

RESOLUTION NO. OB13-008

A RESOLUTION OF THE OVERSIGHT BOARD OF THE SUCCESSOR AGENCY TO THE WEST HOLLYWOOD COMMUNITY DEVELOPMENT COMMISSION DIRECTING THE COMMENCEMENT OF A REFUNDING OF CERTAIN BONDS

WHEREAS, California Assembly Bill No. 26 (First Extraordinary Session) (“AB1X 26”) adopted on June 29, 2011, dissolved all redevelopment agencies and community development agencies in existence in the State of California, as of February 1, 2012, and designated “successor agencies” and “oversight boards” to satisfy “enforceable obligations” of the former redevelopment agencies and administer dissolution and wind down of the former redevelopment agencies;

WHEREAS, Assembly Bill No. 1484, a follow on bill to AB1X 26, was enacted on June 27, 2012 and provides a mechanism to refund tax allocation bonds under certain circumstances;

WHEREAS, pursuant to California Health and Safety Code Section 34173(d), the City of West Hollywood is the successor agency (the “Successor Agency”) to the dissolved West Hollywood Community Development Commission (“Agency”), confirmed by Resolution No. [11-4219] adopted by the City of West Hollywood on [September 19, 2011];

WHEREAS, Health and Safety Code Section 34179(a) provides that each successor agency shall have an oversight board composed of seven members;

WHEREAS, the Successor Agency has duly established such oversight board (the “Oversight Board”) pursuant to Health and Safety Code Section 34179(a);

WHEREAS, the Oversight Board, pursuant to Health and Safety Code Section 34177.5(f), may direct the Successor Agency to issue bonds to refund the bonds of its former redevelopment agency to provide debt service savings to the Successor Agency;

WHEREAS, an oversight board may only direct such a refunding so long as the successor agency is able to recover its related costs in connection with the transaction;

WHEREAS, the recovery of such costs in connection with such a refunding transaction shall be supplemental to, and not constrained by, the administrative cost allowance as such allowance is defined in Health and Safety Code Section 34171(b);

WHEREAS, the Oversight Board is informed by the Successor Agency that in September 2003, the Agency issued its 2003 Tax Allocation Bonds (the “2003 Bonds”) in the aggregate principal amount of \$11,500,000, attributable to the Agency’s East Side Project Area, which bonds are subject to optional redemption on any interest payment date or after September 1, 2013 at a redemption price equal to the outstanding principal amount thereof, plus accrued interest due thereon to the date fixed for redemption, without premium;

WHEREAS, the Successor Agency, has indicated that there are potential debt service savings that can be achieved through a refinancing of the 2003 Bonds, and the Oversight Board now wishes to direct the Successor Agency to prepare for the refunding of all or a portion of the 2003 Bonds, to achieve debt service savings; and

WHEREAS, the County of Los Angeles (the “County”), a political subdivision of the State of California and taxing entity recipient of property tax revenues, represented by voting membership on this Oversight Board, has developed a program (the “Refunding Program”) to assist successor agencies within the County to refund tax allocation bonds pursuant to AB 1484 in order to provide debt service savings to the Successor Agency, efficiencies in issuance and cost of issuance savings;

NOW THEREFORE, THE OVERSIGHT BOARD OF THE SUCCESSOR AGENCY TO THE WEST HOLLYWOOD COMMUNITY DEVELOPMENT COMMISSION DOES HEREBY RESOLVE AS FOLLOWS:

Section 1. Recitals. The Recitals set forth above are true and correct and are incorporated into this Resolution by this reference.

Section 2. Request for Refunding. Pursuant to Health and Safety Code Section 34177.5(f), the Oversight Board hereby requests the Successor Agency to prepare to issue bonds (the “Refunding Bonds”), which bonds may be sold to a joint powers authority pursuant to the Marks-Roos Local Bond Pooling Act (Article 4 (commencing with Section 6584) of Chapter 5 of Division 7 of Title 1 of the Government Code) following a determination by the Successor Agency to participate in the Refunding Program, to refund all or a portion of the 2003 Bonds; provided that this request shall not offer any assurance that bonds will be sold by the issuer under the Refunding Program to refund all or any portion of the 2003 Bonds. The Successor Agency is further requested to return to the Oversight Board, once the refunding issue and related documents have been prepared, for approval of the refunding pursuant to Health and Safety Code Section 34180(b).

Section 3. Recovery of Costs. The Oversight Board hereby authorizes and approves the Successor Agency to cover reasonable related costs incurred in connection with this transaction. The Successor Agency may recover such costs from the proceeds of the Refunding Bonds or, if the Successor Agency is not able to issue its bonds or the issuer under the Refunding Program is not able to issue its bonds relating to the Successor Agency, by including such costs in a future Recognized Obligation Payment Schedule. The recovery of such costs shall be in addition to and shall not count against any administrative cost allowance of the Successor Agency as such allowance is defined in Health and Safety Code Section 34171(b).

Section 4. Severability. If any provision of this Resolution or the application of any such provision to any person or circumstance is held invalid, such invalidity shall not affect other provisions or applications of this Resolution that can be given effect without the invalid provision or application, and to this end the provisions of this Resolution are severable. The Oversight Board declares that the Oversight Board would have adopted this Resolution irrespective of the invalidity of any particular portion of this Resolution.

Section 5. Effective Date. Pursuant to Health and Safety Code Section 34179(h), all actions taken by the Oversight Board may be reviewed by the California Department of Finance and, therefore, this Resolution shall be effective five (5) business days after notice to the Department of Finance unless the Department requests a review of the actions taken in this Resolution, in which case this Resolution will be effective upon approval by the Department.

PASSED AND ADOPTED by the Oversight Board of the Successor Agency to the West Hollywood Community Development Commission this 11th day of July, 2013.

_____, Chairperson

ATTEST:

Ivonne Evelyn Umana, Deputy Clerk
Los Angeles County Board of Supervisors
Acting as Secretary for the Oversight Board
Of the Successor Agency to the
West Hollywood Community Development Commission

I HEREBY CERTIFY that the above and foregoing ordinance was duly passed and adopted by the Oversight Board of the Successor Agency to the West Hollywood Community Development Commission at a special meeting held on the 11th day of July, 2013, by the following vote, to wit:

AYES:

NOES:

ABSENT:

ABSTAINED: